MINUTES OF THE TAX INCREMENTAL DISTRICTS JOINT REVIEW COMMITTEE

MONDAY, AUGUST 19, 2019, 4:00 PM
CITY HALL, ROOM 207

A. ROLL CALL.

1. Members:
Diana Ellenbecker, City of Green Bay
Chad Weininger, Brown County
Cale Pulczinski, Green Bay Area Public Schools
Bob Mathews, Northeast Wisconsin Technical College
Brent Weycker, Citizen Member

Members present: Cale Pulczinski, Diana Ellenbecker, Brent Weycker, Bob Mathews, Bradley Klingsporn (sitting in for Chad Weininger), Excused:

B. APPROVAL OF THE AGENDA.

Moved by Bob Mathews, seconded by Brent Weycker to approve the agenda. Motion carried. Yes- Bradley Klingsporn , Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

C. APPROVAL OF MINUTES.

1. Approval of the minutes from the June 27, 2019 meeting.

Moved by Cale Pulczinski, seconded by Brent Weycker to approve the minutes. Motion carried. Yes- , Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, Bradley Klingsporn, No- None, Abstain- None

D. REGULAR BUSINESS.

Moved by Bob Mathews, seconded by Cale Pulczinski to suspend the rules.

Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

1. Consideration with possible action to adopt a Territory Amendment Resolution and amend the Project Plan for TID Five (5), East and West Downtown. The proposal seeks to remove parcels from TID 5 that are generally located in the area east of S. Maple Street, south of Howard Street, west of the Fox River, and north of Fifth (5th) Street.

Moved by Brent Weycker, seconded by Bradley Klingsporn to approve items 1 - 8, 10, 11, 15, 16 & 17 together with one vote. Motion carried.
Yes- , Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, Bradley Klingsporn, No- None, Abstain- None

2. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

3. Consideration with possible action to adopt an Affordable Housing Extension Resolution for TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

4. Consideration with possible action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Seven (7), Ashland Avenue and Lombardi Avenue Corridors.

5. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Eight (8), Henry and Morrow Streets.

6. Consideration with possible action to adopt an Affordable Housing Extension Resolution for TID Eight (8), Henry and Morrow Streets.

7. Consideration with possible action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Eight (8), Henry and Morrow Streets.

8. Consideration with possible action to adopt a Termination Resolution for the dissolution of a Project Plan, for the closure of TID Nine (9), State Highway 54/57 Business Park.

9. Consideration with possible action to adopt an Allocation Amendment Resolution and amend the Project Plan for TID Twelve (12), I-43 Commercial Development.

Moved by Bradley Klingsporn, seconded by Brent Weycker to approve. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

10. Consideration with possible action to adopt an Affordable Housing Extension Resolution for TID Twelve (12), I-43 Commercial Development.

11. Consideration with possible action to adopt a Termination Resolution for the dissolution of a TID Plan, for the closure of TID Twelve (12), I-43 Commercial Development.

12. Consideration with possible action to adopt a Resolution amending the Project Plan for TID Thirteen (13), Downtown Redevelopment. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

Moved by Bob Mathews, seconded by Brent Weycker to approve. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

13. Consideration with possible action to adopt a Territory Amendment Resolution and amend the Project Plan for TID Fourteen (14), North Broadway Redevelopment. The proposal seeks to add parcels that are generally east of Broadway, south of Mather Street, west of the Fox River, and north of Dousman Street.

Moved by Bradley Klingsporn, seconded by Cale Pulczinski to approve items 13 & 14 together with one vote. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- Brent Weycker

14. Consideration with possible action to adopt a Standard Extension Resolution for TID Fourteen (14), North Broadway Redevelopment.

15. Consideration with possible action to adopt a Termination Resolution for the dissolution of a TID Plan, for the closure of TID Seventeen (17), 900 Block North Broadway.

16. Consideration with possible action to adopt a Creation Resolution to establish TID Number Twenty-Two (22), The Shipyard, and adopt the Project Plan. TID 22 is generally located in the area east of S. Maple Street, south of Howard Street, west of the Fox River, and north of Fifth (5th) Street. TID 22 will be classified as a blight elimination district based on the identification and classification of the property proposed to be included within the TID. Proposed projects include cash grants and loans to owners, lessees, or developers of property within the TID; road, pedestrian, bicycle, and other transportation improvements; potable water, sanitary sewer, and storm water infrastructure; public spaces and amenities; land acquisition, environmental remediation, structural rehabilitation, and new construction; and administration. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

17. Consideration with possible action to adopt a Creation Resolution to establish TID Number Twenty-Three (23), Legends District, and adopt the Project Plan. TID 23 is generally located in the area east of Holmgren Way, south of Lombardi Avenue, west of Bart Starr Drive, and north of Mike McCarthy Way. TID 23 will be classified as a blight elimination district based on the identification and classification of the property proposed to be included within the TID. Proposed projects include cash grants and loans to owners, lessees, or developers of property within the TID; road, pedestrian, bicycle, and other transportation improvements; potable water, sanitary sewer, and storm water infrastructure; public spaces and amenities; land acquisition, environmental remediation, structural rehabilitation, and new construction; and administration. The proposed costs include projects within the proposed boundary and within a one-half (1/2) mile radius of the proposed boundary of the TID.

E. ADJOURNMENT.

Moved by Brent Weycker, seconded by Bradley Klingsporn to adjourn. Motion carried.
Yes- Bradley Klingsporn, Bob Mathews, Brent Weycker, Diana Ellenbecker, Cale Pulczinski, No- None, Abstain- None

G. VERBATIM MINUTES.

- [Diana] We'll call to order the meeting of the joint review board, for Monday, August 19, 2019. Roll call. I have Chad Weininger on here, but sitting in for Chad is Brad Klingsporn.

- [Brad] Here.

- [Diana] Cale Pulczinski?

- [Cale] Here.

- [Diana] Bob Matthews?

- [Bob] Here.

- [Diana] Brent Weycker?

- [Brent] Here.

- And Diana Ellenbecker from the City of Green Bay. All present. All right, I entertain a motion to approve the agenda.

- [Bob] So moved.

- [Fred] Second.

- [Diana] Okay, so motioned by Bob, second by Fred. Any discussion? If not, all in favor, please say aye.

- [All] Aye.

- [Diana] It's approved.

- [Diana] And then for the proof of the minutes, I would entertain a motion.

- [Cale] Motion to approve.

- [Diana] Okay.

- [Brent] Second.

- [Diana] Motion by Cale and second by Brent. Any discussions, any changes? If not, all in favor, please say aye.

- [All] Aye.

- Diana] Approved. All right, and then we're gonna go right into the regular business. This is something Kevin and Director Vonck and I had discussed. We would like to entertain a motion to suspend the rules to take action of one through 17, with one vote, instead of 17 individual, and at some point if you wanted to pull one out, we could still vote on the majority of 'em, and take the other items separate. This would also allow the director to move from one item right into another item, instead of taking 17 separate items.

- [Bob] I'm fine with that.

- [Diana] What?

- [Bob] I'm fine with that.

- [Diana] Okay, is it a motion to--

- [Bob] I'll make a motion. I'll second it.

- Suspend the rules. Okay. So we have a motion by Bob, second by Cale, to suspend the rules to take action on one through 17 with one vote. Any discussion? All in favor, please say aye.

- [All] Aye.

- [Diana] Okay, that is approved. All right, I am gonna turn it over to Director Vonck.

- [Kevin] Thank you. So what I'll do is I will go through, pretty much in order, as they're listed on here, the items that are up for consideration. As you can see, we have a lot this time around. What this is, it's a culmination of really trying to update these tax increment districts for those that have really kind of served their purposes, put them on a path towards closing them down, making some adjustments to others to adapt to current conditions, and then the creation of two new districts. I think we've talked with this board at the city about a few of these districts in terms of right, their purpose, and then their long-term prospects. And so really wanted to put out here today, before you, these recommendations, which will then, the redevelopment authority will be holding a public hearing on tomorrow, and then basically making recommendations to the city council, who will take this up at their meeting on September 17. Then this will come back to the joint review board at a time after that, sent out some dates, between the 17th and the end of September, really to finalize all these actions. The purpose of the organizational meeting, which we have today, is really to just provide an update, what we're thinking about, or make any corrections, tweaks, before we start going to the process of formal approvals. So, if you wanna stop and talk about any of them, I'll be happy to take questions, or Director Ellenbecker, we just thought it would be easier, just for purposes of business, to go back and forth. Because some of these, in terms of closures and allocations are tied into one another, so to have that conversation all out on the table at once, I think is appropriate. So this was the list that was put out. Probably our most public, expensive public hearing notice we've had to put in the paper in quite some time, because all the language about this. But when it comes down to actually adopting some of these things, we will have to adopt them all individually and then separately, but really again, wanted to provide them as a package deal. So first, talks about Tax Increment District Five, and a territory amendment. So this is TID Five. It's our biggest TID, our oldest TID, or one of our older ones besides four, and really covers a lot of territory on the east and west sides of downtown. One of the things that the territory amendment here would be to actually subtract parcels that would be overlapping with the new Tax Increment District 22, that is proposed to be created. Statute allows you to have overlapping Tax Increment Districts, but for the purposes of accounting, we would like to simplify matters here, and really just kind of prevent that overlap. They will overlap for one year, in terms of the territory amendment. They won't come out for this year, because we're passing that line, but then moving forward these would be removed. With that, there was a list in the packet that talks about the parcels that are involved in terms of future cash flows or projections. There hasn't been a ton of development on these particular sites, which is hence, the reason we're creating Tax Increment 22. So we don't anticipate any impact to the cash flows or the ability of TID Five to perform its obligations. So we're recommending the removal of the territory with the overlap.

- [Bob] So does TID Five stand on its own then with this adjustment?

- [Kevin] Yes, so look at, going back through in an annual report, we have the projections in TID Five for, you look at, excuse me. It's on this one. The incremental development that was created, most of these, I don't have the exact number, parcels, are close to the same value that they were at when TID Five was created. So there's not a lot of increment being generated here. The school district has a lot of property, the redevelopment authority has a lot of property, there's some surface parking. There really hasn't been much improvement in terms of actual increment that's going into the cash flows. Most of the development has been further up Broadway and then on the east side of the river in the downtown core.

- [Bob] So this is showing that there's a surplus, a projected surplus of $170,000. So this move does not affect that.

- [Kevin] In our estimation, no. I mean there's still, I mean, things that could happen in this development--

- There are not assumptions built in, that said you're gonna generate increment from that.

- [Kevin] Not in this area, no.

- [Bob] All right. Thank you.

- [Kevin] Questions on five.

- [Brad] You kind of alluded to it, but just to make it explicit, so the parcels removed from TID Five basically don't have an incremental value? They're--

- [Kevin] Correct, almost all of them are at the base value today, as they were when this TID was created in '99.

- [Diana] 99.

- [Bob] And this will, we'll see these parcels again in 22, is that right?

- [Kevin] Correct. Most of them, as you can see the map overlap, so the ones with the dotted figures. So you'll see some of these go back in to 22. These parcels basically between Howard and Walnut, and the K and K warehousing, and then some of the RGL stuff in the middle, will not go back in to the new TID.

- [Bob] Okay.

- [Kevin] I think, and we'll get to it when we talk about 22, I think this has been, just part of the philosophy is we wanna capture parcels where there's either zero value existing now, or we know there's a sooner than later development project. And so for those parcels that won't go back in, we just, we don't see that.

- [Bob] Okay.

- [Kevin] Others on five. All right, so talking about TID Seven, the next three actions talk about TID Seven. Lombardi and Ashland Corridors, this Tax Increment District was created in 2002, primarily to facilitate development of the Tundra Lodge. With that, was talked about the annual report. The incentive has been paid off for this, and there's a healthy bit of increment here. So what we're doing, and a proposal on this chart kind of explains what we're thinking in terms of winding this Tax Increment District down. So, starting the year, and you saw in the 2018 year end report, starting 2019 with a balance of $710,000. We'll get additional increment this year. Additional public expenses that are slated there, part of the project plan calls for pedestrian improvements in that area. If you've ever been there game day, Lambeau Field or the arena, it has a memo about complaints. The city has gotten, in terms of lack of pedestrian amenities in that area, we are looking at installing sidewalks in the entire district, and some lighting, to help out, especially when it's nighttime over there. And so those will be the public expenses that we have slated for that area. Development expenses, that's just the last bit of money to pay off, there's one development agreement that will, the Shorewest development agreement will extend beyond this if we terminate, so just to put that money into escrow. And then debt expenses, that's the last money we had, I think, for some infrastructure in there. I think that was some of the street work that was done. So to pay off those, ending balance 450. Then in 2020, basically, again the last public expenses, pay off the remaining debt, and then with that, we would like to use the surplus in here and recommend an allocation to Tax Increment District Nine, which is the University Heights TID, which we'll get to, which has been operating at a deficit. The plan is to call for termination of that TID, but in order to do so, and in keeping it off the tax levy, we're looking to allocate funds from other Tax Increment Districts to close that down. 2020 pays off all the project costs. We are looking at employing, state statute allows for municipalities to ask for an extension for one year to put money, put increment into affordable housing fund. So what it would do is take that year of increment and put it into a fund that would be allocated, restricted for housing. Of those funds, all of them have to go towards housing. 75% of those funds have to go towards affordable housing, and so we've had some early discussions here about how we would allocate those funds. Generally, probably complement, or enhance, a number of our programs that we have here at the city that are funded with block grant dollars. So we provide low-interest loans for home improvement. We provide grants for new homes in newer neighborhoods. We also borrow money for whatever enhancement fund this could potentially replace on that borrowing, in terms of getting that fund established. With that then it would be fully shut down at the end of 2021, which would be before it's mandatory termination date of 2029. So even with the extended year for the affordable housing, we'll still be shutting this one down ahead of schedule, so fully terminated at the end of 2021.

- [Brad] The debt expenses that are listed up there, is that callable debt?

- [Kevin] I'm gonna defer to, I don't think it is--

- I would say no because in almost every case, they have always taken out debt, that's 20 years, and then it can be refunded at the 10 year mark--

- Okay. But it can't be advance refunded. I can look up the specifics of this one, but.

- [Brad] And my question was just if we have a $450,000 ending balance, if we could prepay and save the interest of it, that balloon payment of 260?

- [Diana] And typically they are done. I'm just gonna look and see how.

- [Kevin] And probably what we have to do, that 260 is actually, we escrow it, and keep paying out two or three, four years after that.

- Okay.

- [Diana] Correct.

- [Kevin] And so that's why when we put those funds together, same thing for the development expense, we would still owe that developer, I think it's around a $15,000 payment 'til the end of the TID. We're basically just putting those funds in escrow to say, look, the TID's closed, but we still have an obligation to you, so there's still payments that go out. From the debt side, they're not callable, we just have to make the payments when we can.

- [Diana] To your point, though, it was 2013 and 2014 borrowing, so in 2023 and 2024, there's a chance we could refund it at that point.

- Okay.

- [Diana] We're looking to have this closed down before that, but that would mean we potentially don't have to pay the debt out until, all the way to this, it's called. We could actually, potentially, refund it out.

- [Brad] So this is probably projected on calling at 2023, the next call date.

- [Diana] Yeah, lemme see when that.

- [Brad] So that calculation will be based on that.

- [Diana] It is not, actually. It is still owed to the life of it, to the.

- [Bob] To pick up some interest.

- [Diana] You would reduce your amount outstanding.

- It'd be a little less?

- [Diana] Yeah, it would be slightly less than that, assuming we refunded at a lower rate.

- [Brad] Yeah.

- [Diana] Again, that's if the assumption it doesn't call, that it'd be a large enough savings for us to want to refund it in '23 and '24.

- [Kevin] Correct. The second part for the development expenses, we generally also put those in escrow and pay out as per the agreement. Just don't think it's good policy to say, all right, here's your lump sum and then no longer perform what we expected the developer to do. Pardon?

- [Bob] There is possibly an optional debt to prepay it?

- [Kevin] Correct, correct. And I, just in terms of the numbers that were provided here, generally rounded, I generally rounded or estimated lower on the revenue side and higher on the debt side. I think it's just to get some cushion sometimes as we go through, and close out, and just to make sure we've got everything accounted for. We just like to have a little margin of safety in there.

- [Diana] And once we make that transfer, if there is a balance at the end, that would get allocated back to all the taxing jurisdictions.

- Correct.

- [Diana] So if we did transfer too much, in this case, more than we needed, into that fund, it closed down, it would get allocated as a, not proration, but it's gonna be allocated back to the taxing jurisdictions when that's closed.

- [Kevin] Correct, and our--

- [Bob] So any surplus, are you thinking would go to the allocation amendment, or the A20 is fixed?

- [Kevin] So the allocation amendment, we're asking for up to a million. for this particular one, I think that's in the resolution packet, that's to allow for, really, a balance between. We're using TID Seven, TID Eight, and TID 12 to close out TID Nine. I think one of the things if, to provide a little opportunity, if for some reason, because we do have some vacant property in TID Nine, if they would request reassessment, and if for some reason that value would go down a little bit, that that increment would be as much there. And I think to allow for a little bit of flexibility, whether it comes from seven, eight, or 12. It is why that's built in. The numbers add up in terms of what we've estimated as of today, that we feel comfortable with. It's probably gonna be around that number, and then I'll show you the ones for eight and twelve. In essence, I think, we're only going to allocate as much as it takes to close TID Nine, and with that, I think we've done the estimate so that we're conservative, that we're gonna end up with a surplus somewhere, it's either gonna be in seven, eight, or 12, and I think we do that so we can send you a check versus send a bill saying okay this is the deficit that we need to make up here, and so it just provides a little bit of wiggle room between those three. Whether the surplus is in seven, eight, or12, it's gonna be one of those, just not sure where exactly it's gonna end up.

- [Diana] And you said that final resolution transfer allocation will come back to the GRB?

- [Kevin] Correct, yes. Yeah, so the allocation amendment will go to the council, but then this body will authorize the final amount and what to do. I think we did this when we closed down six, 11, and 15. We just said, all right here's what we think it's gonna be, in case the bill comes in a little higher, or there's outstanding project costs, we just allow for a little margin in there. So kinda covered the three pieces of seven. So one is to look at that allocation amendment, that would be to go to close TID Nine, the affordable housing resolution, which will allow for us to keep it open to 2021, and then the termination which would officially end the Tax Increment District at the end of 2021. So we're proposing pretty much the same thing for Tax Increment District Eight. TID Eight is Henry Morrow streets, over on the east side of the city. This primarily, for one big project, hasn't had a lot of other activity within it. With that, again, because we haven't had other activities, we've accumulated a pretty decent balance in that account. With that, we'll get some additional tax revenue this year. Public expenses, right now, it's just basically admin costs or DOR fees, just marginal things that are accounted for to keeping this TID open. There's still some outstanding debt service on that. Again, same type of thing where we've got a debt that we sort of reschedule. So with that, we'd like in 2020 basically, to pay off or at least escrow the final amount for debt, and in this case, allocate, I think we asked for up to 1.5 million to help close out TID Nine. We would keep this then open, with an affordable housing resolution for 2021, and then this would be fully closed at the end of 2021.

- [Bob] So you're projecting nine to be a million six as you're deficit, but you've got a million and a million five. I'm just trying to figure.

- [Kevin] No, I'll get to nine. Our deficit for nine's about 3.6 million--

- [Bob] Okay.

- [Kevin] 'Cause there's that existing whole, and there's future costs.

- [Bob] Okay, but your future. Your surplus or deficit was 1.6 a couple weeks ago, or as the year ended December 31, 2018. That's when you showed us a million six.

- [Kevin] Yes, so we have. I'll skip ahead a little bit. So we have about 1.6. We're one point, almost 1.5 in the hole right now, with an additional 1.6 yet to come, or that's outstanding.

- [Diana] But if we were to close this early, that one six wouldn't come in, because that would be over the life of the remaining.

- [Kevin] Correct. The problem with TID Nine is that the increment, the revenue is less than the expenses. Basically our bonding, our debt to service on that is $220,000, and we're only getting 190 incremented there, so if we elect TID Nine right out, it's progressively gonna go further into the hole.

- [Bob] But your future projects costs and your future revenue, is only about $100,000 different, what you showed a couple weeks ago. So a million six was your ending projection.

- [Diana] 'Cause we are at one million six negative now, but we still owe 1.7 in debt service. That's how it comes over to three million--

- Right, but your future revenue is a million six.

- [Diana] But if we were to close it in the next two years all that future revenue would not come in. So we have expenses in that revenue would not come in. We could leave this open until the end of 2026, and it will still have about a negative $1.6 million, but every year we have just, we have a little more expenses than we have as revenue. Again, we could ride it out to 2026, and we'd have basically the same negative fund balance until then, until that end of the year. And then it would come out to one six. If we close it down now we have one five negative, plus we need to come up with one seven for debt. Now you're lookin' at over three million dollars, through these next couple of years. We have a little bit of revenue coming in, but all that 1.6 million in future revenues, we wouldn't get much of that in if we were to close it down early.

- [Kevin] This is one. I'm trying to think, which one was like this. 11 might have been, I mean, call it a stop the bleeding TID, and that is the longer that we let this ride, the further of a hole we're gonna go into and the harder it might be--

- Right.

- [Kevin] to close it out, out later. I think it's one of the things we've also had internal discussions about, development possibilities out there, and despite our efforts of bringing clients out to those properties, and out to those sites, we haven't had any success. I think there's a perception that it's too far out. I think you'll also see, I mean in Town of Scott, some adjacent properties, too, are the same way. Look, hindsight's 2020, but in terms of the timing of this Tax Increment District, was probably created at the worst possible time of, right at the peak of the bubble, and just--

- [Diana] Put a lot of infrastructure in without revenue coming in.

- [Kevin] Correct, correct. So we'll come back to TID Nine, so for TID Eight, I believe there were two allocations one to close TID Nine, and maybe I think, put this on here, but then also to close TID 17. There's a little outstanding balance, probably about 60, $70,000 for TID 17. We're currently in court with the developer right now over a development agreement where we're hoping to recoup some of that, but this is to also allow allocation from this to fully close out TID 17 as well. Kit, I think he talked to you a little bit about it last year, but it's one TID that was primarily done for one project, and the project's done, and it did not hit it's target, and there's not gonna be any additional development on that.

- [Bob] So what is your max on to date?

- [Kevin] Max in terms of?

- [Bob] The allocation.

- [Kevin] I put. Just want to make sure I got the right numbers. Just pull out my packet. I think I said one five for TID Nine and 100,000 for TID 17. Okay, yes, so the recommendation is up to 1.5 for TID Nine, and up to 100,00 for TID 17. Our estimate based on where we think things will come out, would be about $60,000 for TID 17, with the remainder then for TID Nine.

- [Bob] And on TID Nine, your overall estimate in terms of costs to close that out are what, I'm sorry.

- [Kevin] So for TID Nine, again, going back our starting balance, in the hole almost a million and a half. We're gonna go further in the hole this year. In 2020 our goal is to basically get to .6. That's the balance of TID Seven, TID Eight, and then TID 12, which we'll talk about. $370,000 for TID 12. So those three all together add up to about 2.6. That's enough, we feel, to bring it out of the hole, and pay for the future outstanding debt service. So yeah, of that, the biggest chunk will come from TID Eight, followed by TID Seven, followed by TID 12. I think our discussion was that, is TID 12's been a donor to other TIDs, and so we're gonna use these TIDs to, basically, prioritize them first in terms of the allocation before we looked at TID 12, and then let's talk about TID 12. I think there's some bigger expenses in TID 12 that we want to make sure we have funds for that available over there.

- [Diana] Maybe too, I'll make sure that the numbers make sense as we again, we're at negative one five. We need another one seven for debt. Debt's at three two, and now he's only asking for two six, but this numbers are through the end of '18. He's showing increment for three more years, so he has a little over half a million dollars of increment so that future revenues that we showed, one six, we're taking into consideration three more years it.

- [Bob] Okay, okay.

- [Kevin] So for eight, in short, that allocation to help close down TID Nine, one year for affordable housing, put 290,000 into that fund, then termination, so it'd be fully closed end of 2021. and then back the jurisdictions for 2022, which would be before, that one is scheduled to close also in 2029, so seven years before mandatory termination.

- [Bob] All right, so eight would close in 2000--

- [Kevin] End of 21, 2021, same as seven. So, those allocations going towards Tax Increment District Nine, which is 54, 57, also known as University Heights, as I mentioned, this was created in 2003 with the expectations for a lot of big bucks development right along 54 and 57, and then some other additional industrial to the east. The city spent some money on infrastructure improvements, also acquiring land back at the time, hit the recession, and really never got development going out in this area. We have had some, there were clinics out there, HART Manufacturing started, which now has since closed. WS Packaging, but definitely not enough in terms of supporting the infrastructure that's been there, and that's why we're running into the deficit that we are. This is an older TID, again, it's continuing to go in the hole. We felt it's prudent, the increment law allows, with the consent of municipality and GRBs, funds from other Tax Increment Districts to allocate to others, and that's why we're asking in this one to help close this one down. It's scheduled to close 2026. Our goal, again, would be to close it at the end of 2021 with the others. We have incremented allocations next year in 2020 that would give us the funds to have it closed down in 2021.

- [Diane] Can I ask a question? Does that mean you're closing the business park, or you're just closing out the TID?

- [Kevin] We would just be closing out the Tax Increment District. So the city only owns one property, and in terms of, we've branded it University Heights, but it still exists. There's not necessarily a formal association to that, but we would just be closing out the funding mechanism, but as far as University Heights, most of it's private property, so it could still exist, we just would not have a Tax Increment District down there.

- [Diane] So what happens to all the infrastructure that's out there presently?

- [Kevin] It stays. It's public infrastructure. The city spent money on public roads, and so all of those stay, still stay public.

- [Diane] But there's no roads out there.

- [Kevin] I mean aside from 54, 57 there were some improvements around Aurora, and like Equestrian, but as far as like future and planned roads?

- [Diane] Okay, I'm Diane Peters. We just walked in.

- [Diana] I was just gonna ask the same question, if we could open it up to the public to speak, and I would, name and address please.

- [Diane] I didn't know who to turn it in to.

- [Diana] This would be a good time if the committee wanted to open up the public and hear comments.

- [Diane] I guess I was under the impression that this meeting was closing down the business park, and that's why I came, and I didn't know that it's just the TID that you're closing.

- [Kevin] Correct.

- [Diane] There was a lot of money spent out there and we did hit the recession, but we gave the city part of our land so that they could put a road in. The road was never put in. This was given to them in 2003. There is no water to the property right now so a lot of businesses don't wanna go out there because there is no water. But there has been a lot of interest in the area, and for the people I talked to when they called the city about getting some of the land, they were told to check the De Pere or the Howard Business Park out, that they were not looking to expand that area.

- [Kevin] I'll just respectfully disagree. I don't think anybody in our city would direct somebody to somewhere else. I think our goal was to get development out there. Part of the challenge we have is the lack of infrastructure in terms of additional roads or water out there. I think we've committed to.

- What happened to the water agreement, though? There was a water agreement.

- [Kevin] I think we might have to suspend the rules to, if we'd like to open up.

- Yeah, yep. Suspend the rules to open up to the public. Do we take a motion?

- [Brent] I'll make a motion to suspend the rules to allow the comment.

- [Diana] All right. So we have a motion by Brent, and second by Brad to suspend the rules and open up to the public. Would you like to come up to the podium, or at least turn in your slip, your name?

- [Diane] Oh, I'll turn this in.

- [Diana] Thank you.

- Here you go.

- Thanks.

- [Diane] Sure. I guess I just wanna know what's going on with the park because I don't know .

- [Kevin] Sure, so from our--

- [Diane] I know you said that Hart Manufacturing closed, but someone new bought that property, and they are moved in. They've been moved in for several months now. The gas station that had gone under a few years back, somebody's trying to get in there. They just recently had the gas established. Now I think there's a problem. They can't get water or something. I'm not real sure what that is. He wanted to open up. One of the meetings was early in July, and he said he wanted to open up in four to six weeks, so I don't know where he's at with it, but there are people coming out there. We've been contacted about buying some of our land. The fella did not buy it, but we were contacted.

- [Kevin] Okay.

- [Diane] But I would like to see the city maybe put a little more effort into that area. That's a 1,100 acres of business park. There's no place in Green Bay for big business to go if you would get a big box or a big manufacturing place. There is no place in Green Bay that's got that much continguous acreage. I guess, just wanna make my concerns heard--

- Sure.

- [Diane] Because you know, it's a waste, and it's a beautiful, beautiful area. I work on the west side. I can be on the west side from my home in 17 minutes and that's out towards Lambeau from my house, so it's not far out. People just don't know it's out there. They need to. Get in a bus and show them what they're missing, because it's just beautiful out there, and all the infrastructure's in. They've done studies. The money is spent, we just need to get people in there, and now it's kind of frustrating, they're ready to expand the I43 business park, and I did read something about there being a lot of wetlands that they're gonna have to do studies on that. Now we've got this land available. Why not put the people here? It's basically shovel-ready. They need to just bring the water in. The sewer mains are all in. There's no roads, but that could happen.

- [Kevin] I totally agree with all of your points. As we've gotten requests for land, and especially large tracts of land, we've brought developers or site selectors to that area, maybe not in a bus, but believe me, we've brought them out there. We've talked about potential for sites, about the city site, but then also the private land that is out there. When it comes to infrastructure challenges, the water or interior streets, we haven't gotten to the point of negotiating the type of development agreement to get some those projects, but after looking around, the clients have come to us and said they would rather be in I43, which I think you made your point very well. It's not really that much farther, and actually parts of I43, further east, are probably further from the actual four-lane freeway than a lot of the parcels here. Unfortunately, I can't force somebody to develop it. The other part about, I think, we made a decision not to continue to put additional infrastructure in, feeling that we don't wanna continue to go down in racking up more debt, of not having any known development coming out there. And so that's why we've not put in the rest of the roads, or the streets, or extended a lot of infrastructure out there because, the money we spent so far--

- [Diane] Are you still actively marketing this property?

- [Kevin] Yes.

- [Diane] Okay, because I know the only thing I saw was the billboard halfway to Sturgeon Bay on the wrong side of the road, on the back side of someone else's billboard. That's the only thing I saw as far as any push for University Heights.

- [Kevin] Yep.

- [Diane] The website, looking on the website, it might be updated now, but it went a good six to nine months with no pictures at all, nothing, and a developer's checking it out, and they wanna see something and they bring it up and there's no pictures, nothing current, they're not gonna come here.

- [Kevin] Yeah, I will say that we do continue to market that area. The market itself just hasn't felt that this has been the most appropriate spot to develop.

- [Diana] Are there any other questions from the committee? Any concerns or discussion? Anything else from you?

- [Diane] Nope--

- Okay.

- I just, I wanted to make sure they weren't closing the business park, that's all.

- Okay. A motion to return to where we were in business?

- [Bob] So moved.

- [Brent] Second.

- [Diana] All right. Motion by Bob, second by Brent. Back to the regular order of business.

- [Kevin] So the next one dealing with TID 12, which is I43 commercial development, for a new business center. Again, this is another one of our larger Tax Increment Districts. It has performed very well probably up from some expectations. What we're looking to do is end this, terminate this at the end of 2022. It's mandatory termination date is 2025, but we feel we can get this done three years early. What we would like to do in 2019, is continue to finish the structure. Just come up here. Our last year's project, which is kind of a little bit Nature's Way, extended Erie Road down to accommodate their facility, and will be bringing Erie road all the way down to the municipal boundary with the Village of Bellevue, but a larger project is actually extending the sewer, sanitary sewer out to this area, along with water. It's basically end of the road, right out by Friars Path, and this is a more substantial project that actually goes back all the way up through the Grandview properties to tie in, that will allow for additional expansion, basically east of Erie Road and then south of Finger Road. We are looking at using our cash balance to do this, as Ms. Peters had mentioned. We're looking at the potential expansion of the I43 business park. I think she brings a good point. There's two different layers here. There's the business park, in terms of what's covered under the planned unit development, in terms of zoning and uses we allow up there, and then there's a Tax Increment District, which is the financing piece of it. Before we expand that planned unit development, the business park itself, we want to be able to use property that's within this TID to expand infrastructure so that if we do look at a new Tax Increment District for development out here, we don't, like University Heights, we don't have to spend a ton of money up front, that we're using our cash balance now to fill that infrastructure, so that we can operate with a new one, more of a PAYGO than putting out a lot for infrastructure. So, I've talked with our Department of Public Works and put together some estimates for basically finishing out and expanding to allow that area to get serviced, and coming up probably about three to three and a half million dollars. With that, we have some outstanding development expenses, some debt that's left outstanding for some projects that we have undertaken in the business park itself. We feel we need two more years fully of running this to account for it. One of the biggest question marks in here will be the development expenses you see in 2021. That would be an escrow amount, primarily geared towards the Nature's Way project. With that, that project won't be online until hopefully, one one of '20. Again, that's the state doing the assessment of manufacturing. We had estimated $15 million. There's a good chance that'll probably be in below it, but that's a PAYGO mechanism to do that, and so we basically just estimated out. It comes in at $15 million and they get, per the agreement, a percentage all the way up to three million dollars, and just estimated like it was all going to happen. These will probably adjust. I'm guessing those numbers will probably come in lower, in terms of what they are going to project, in terms of that development expense. With that, though, just again, to kind of be conservative, I didn't estimate them into any of the increment here, because they're not online yet, so this is just using existing increment like they didn't even exist. So again, with that, the amount, we've talked about like surplus, there's a very good chance there's going to be surplus left in this, that's gonna get divvied up to the taxing jurisdictions. Again, here we're asking for a year for the affordable housing fund. This will put a substantial amount into that fund. I think in terms of what we talk here, at the city, about programs and housing, and how important it's become, when we look at also other revenue sources, our block grant funding has been pretty stable, but our home funding has decreased, and we also wanna look at ways that if we can reduce borrowing for programs like our neighborhood enhancement, to capitalize it with these funds would go a long way, and in terms of, we just were actually having a discussion about how these funds would be used. I think a combination of grants, but also some revolving loan programs that can continue to grow that fund.

- [Bob] Are there areas that we're targeting on the affordable housing or is that still being developed?

- [Kevin] So, we don't have a specific, I guess policy, in place. One of them is, if we are to do this, those funds aren't gonna be in for about two more years. The initial discussions we've had are, how can we complement some of our existing programs right now? So things, one of the challenges we've talked about is we have a program that's geared towards low to moderate income individuals to basically do rehab on your house. It's block grant dollars. If you're below a certain threshold in terms of qualifying, you get money to fix up your house. We've actually used it for a number of seniors who are on a fixed income, and living in an older house, and can fix it up, but what we're missing is a gap of people who are above that income level, and are paying more than 30% of the income of housing, but they don't qualify as LMI, and so we can't help them, because we can't use those block grant dollars. So here's a way we could use, right, and help expand that program and put some money in there. Another one is our neighborhood enhancement program. We've been targeting a lot of our near end neighborhoods, and taking our vacant lots, city-owned, RDA or ones that we get through foreclosure, rehabbing homes or putting a new home on a vacant lot. Again, to be able to target, to bring in a mix of market and affordable housing under those as well, and then a third program talking about, I'm blanking out. But I think in terms of we'd like to leverage our existing programs and then, oh the third would just be looking at larger scale developments that aren't in Tax Increment Districts. So for example the Friar House Flats, which is over on Irwin and Cass. It's a substantial redevelopment project both of the friary and a new project to build some additional town homes. It's 100% affordable, but they're not in a Tax Increment District over there. and probably would be good to create one over there. It's not, right, there's no other projects, but this would be one we could help support a developer to get a larger scale project like that. So we talked about a balance among those projects, but with that, we are undergoing right now, just kind of aside, updating our comprehensive plan, and updating our five-year consolidated action plan, which we have to do for block grant, and those are probably gonna guide where we target those affordable housing funds.

- [Bob] So you have about three million dollars to work with based off of what you're proposing here?

- [Kevin] Correct.

- [Bob] And then what does TID 24 look like? Have you thought about, I mean, well I'm just thinking, you're putting in the infrastructure in advance of.

- [Kevin] Sure, so yep, TID 24 is gonna look, we're debating right now. So we just completed a wetland delineation study for basically everything out this way, and so we're going through, right now, and reviewing that. It's right, what, like most of Green Bay is, and we're really trying to get our arms around what are the most developable sites? I think, Ms. Peters had a good point. What are the sites that have the largest tracts of land together? And it's probably going to be looking more along Mason and Finger, and it's probably gonna not cover as much down here. There's too many pockets.

- [Bob] And the only reason I ask that question is, I mean, to spend 3.3 million dollars on infrastructure probably, it needs to be a fairly defined plan in terms of what that next step is, versus spend 3.3 million only to find out that it's not developable, and all those types of things.

- [Kevin] And so one of the things it did confirm, at least from the Erie Road perspective, that this area over on Erie and off of Mason is developable, and so in terms of just keeping on track of where a primary infrastructure's going to go, it's really the big sewer interceptor that's going to be running in this area that's going to service as you come out. But right now there's zero capacity to do anything additional. But I'll just back up. So the initial wetlands study though, there is developable land, and so in terms of creating that, it's not gonna go as far south and east, probably, as the city boundary, but there's enough capacity out there to get some pretty large chunks of land. The city owns right off Finger, we have 80, 90 acres, and there's a bunch of big 40s in there, that we feel are developable enough, or it's worth putting in that infrastructure. Again to Ms. Peter's point, those industrial users wanna be out in this area, and so we're really gonna target, again, keeping that primary development, at least the industrial south of Mason, but that there's enough in there to warrant, I think, the expense on it.

- [Bob] And that's just my, that'd be my comment is I'd like to see something that's fairly concrete before I authorize 3.3 million, 'cause again, that's.

- Sure. I think, probably before, when we come back, I can get, from Public Works, ask for a little bit more of the plan, and probably have some more data on the wetland assessment, and see what's developable out there.

- [Brad] And what's the rationale for not terminating this in 2021, and then creating the new TID, putting the 3.3 million in under the TID 24, or whatever number we're on at that point, to evaluate, 'cause that way--

- Sure.

- [Brad] We can see whether that's a success, whether it's worth the 3.3. With the development now, we're gonna kind of be hiding the full cost of the infrastructure.

- [Kevin] Right, if we cut it off in a year early, we're basically taking out a year of increment of 2.2 million, and that's what we feel this is substantial enough to be able to pay in cash, and not start TID 24 in a hole saying, look, we're gonna allocate this all, and then hopefully they'll build it. I think it's developable, just like University Heights is developable, but if, right, if 2020 is the year that we go into recession, I don't wanna have that all on the books, and then okay, it takes three, four, five years before that development starts to come back in and help pay for those expenses. So we did actually run a scenario where we looked at it, the same as seven and eight, ending in 2021, and just, it put more of the burden on a future TID, but I think to, Ms. Matthews point to come back and kind of show where the infrastructure is gonna be, and what that developable land is on, we can do that before approve the resolution for this.

- [Bob] I mean, since you're asking, you're asking us to fund future initiatives based off of the good work that's been done out there, but it's again, if you have a recession and we're just out the money, so that I mean, it's 3.3 million dollars--

- It's a fair point, yes.

- [Bob] One way or the other, whether it's part of your new TID or it's part of this TID, it's still the risk profile, I'd like to understand that.

- [Kevin] Okay, yeah, lemme get some information on that.

- [Brad] And too, our comment before we've decided that 43 business park is going to be a better investment for that 3.3 million, than to continue the infrastructure where TID Nine was?

- [Kevin] The clients we've had want to be out in I43. I think, the perception, it's closer, even though right, if you look at, I mean where you are, I mean most of the properties in nine are right off the interchange. They're all right here, but I tend to get out here.

- [Bob] I'm just curious how that, just that infrastructure maintains as you build out. Artery starts to clog if you have a higher level of business, 'cause it gets fairly busy right now. If you continue to expand out, we're talking about probably widening, I mean there's, those are the conversations I think are pertinent.

- [Kevin] Sure, but in terms of interest, I think people wanna be located near other businesses in this area, and they're just, I mean, it's been a successful area. People wanna be near the success, and there's a little hesitation, I think, about going into a newer area, even though you might be able to get a better project, or something that fits your needs. This is pretty solid, and that's where people have asked to be located. But I will, just for the record, not for lack of marketing or effort of bringing, when we have big sites, I mean, some of our biggest sites are out there, and it's not movin' anywhere. All right.

- [Bob] So lemme ask this question. I'm gonna ask this question. So, if it weren't available. So there's land available in I43 park, and that's my preference. If there wasn't land available would they go to Scott, I mean, would they go to nine? I mean, so part of it is, there's like a house here and like a house here, and there's one over here, I pick this one, and it's just, it's just a question.

- [Diana] Is it timing of infrastructure, because the infrastructured water is not out in TID Nine?

- [Kevin] No, because I think we've also said the same thing. Just off the map to the left, some is Town of Scott, just go west of Fico there, and really we just. So we participate, we have a joint playing board between the two. We've got our first real actionable items since I've been here, five years, and it's for mini storage, which doesn't really need utilities, it doesn't provide a lot of tax revenue, and I think we've said too, about putting right, the chicken and the egg, kinda want a development that's gonna help pay the bills if we're gonna continue to spend money and put additional infrastructure. Yeah, and I think, same thing. If you look at Scott, it's not like there's been additional development out there.

- [Brad] Do you know what's going in that industrial park in Scott?

- [Kevin] So far it's been some mini storage, or they call them mini businesses. They're, I don't know, a bunch of like big--

- They haven't disclosed it yet, in Scott but, something's going up.

- It's kind of what they've, I mean, that's what I've seen developed. They've hinted at additional development out there--

- Storage condos or something, is that the--

- Storage condos.

- [Brent] Those are common now.

- [Kevin] Yeah, I don't think it's anything in terms of like, high-paying jobs or a lot of big value. I guess it hasn't--

- okay. All right, thank you.

- [Kevin] Okay, TID 13, amending the project plan for downtown redevelopment. This is TID 13, it covers the northern end of the core business district. We're asking to amend that project plan to allow for funds to be allocated to purchase the Associated Bank parking lot. This parking lot actually was in TID 11 before we closed it. TID 11 was expanded, included all the parcels along Monroe Avenue. Basically kind of a little on the early side, but as Main Street was developing, you looked at, okay. I think this was done right after or right during when Monroe Avenue was reconstructed, saying look we just got this brand new street through here, you've got some prime parcels, let's redevelop it. But with that, the rest of TID 11 wasn't performing. That's why we closed it down a few years ago. So it left the Associated Bank parcel basically not meeting any Tax Increment District. The tax increment law allows you to do improvements, one that are directly related to the TID. And one of the things we've looked at, in terms of moving pieces around with the expansion of the convention center, the Main Street ramp, call it over-utilized sometimes, but also has a limited lifespan, and so short-term, to be able to help us in parking needs, but the other, it also allows for improvements within a half mile of the district, and I think we looked at being able to do this parking short-term for infrastructure, but long-term this is a development site. And then with that would potentially become a part of TID 13, or part of TID 20, which is the way they park right to the east. But I think one of the things that we've looked at in terms of allocation, we've kept, or we created TID 20 as pretty much a PAYGO one, and we really wanna settle that with a lot of debt right up front. There's a larger and a lot more volume happening in 13, where we already have some debt incurred on that, and there's more, I don't know what you'd call it, increment, in terms of there's a bigger cushion, in terms of some of the projects that are there versus the ones in Whitney have been smaller. And so that's why we're asking for the amendment to include the venue project plan and to put this acquisition in there.

- [Bob] So how much is the acquisition?

- [Kevin] 1.2 million.

- [Diana] Are there any future plans for that parking lot?

- [Kevin] So, we are going to be leasing it out in the short-term, but we have requests for proposals out right now for development that the RDA issued in July, to get those back for review this month, and then either September or October present those options to the redevelopment authority, to do a development on those parcels. It's a whole city block. It's rare you get a city block in the downtown. I think at the time, it was important for the city to look. We had a clause in our development agreement back to the associated moving into Regency Center, and thought it was in our best interest to basically control the future development of that site in the long-term.

- [Bob] So is it speculative buying, or is it a defined, I mean, again, I need, if there's a quick turn on it, versus a speculative.

- [Kevin] Sure, so I guess a little of both. We've had interested parties in that site before. Not when it was under our control. We've had some of 'em express interest before we purchased it. The side piece is that we believe that we can generate enough revenue on it to help cover, or if not cover the debt service on it while we hold it in the interim. And so there's a, because we can lease it out for parking, we can basically pay for our holding costs, so we're not going to be sinking into further debt while we're holding it. I think that was one of the things that we discussed in terms of just buying a grass lot. We can't really do anything with it, versus buying a parking lot, where we could charge monthly revenue for parking passes on that to get revenue while we're holding it in the hope that we're not holding it long, to be able to turn around develop it, that we had some ways to cover our costs in the interim.

- [Brad] Are you taking into account that this was an associated property before, so there was tax being generated, and now as a City of Green Bay Property, it'll be off the tax roll.

- [Kevin] Yes, yeah.

- [Brad] And even with that, but there will be enough parking revenue to actually purchase the property. Like if this was a parking lot for the next 20 years, it wouldn't repay the TID directly.

- [Kevin] Refrain that again.

- [Brad] You said that it was enough to pay the debt for that, but it's not enough to pay principle on the debt, is that right? Or does it pay the principle?

- [Kevin] No, yeah it would cover it--

- It should cover the debt service for the purchase of it over the life of the 20 years. If we had a parking lot for 20 years it should cover the debt service. Yes.

- Correct.

- [Diana] But that definitely was not the intent to buy it. We would hope with a development, hopefully to follow within the next couple years.

- [Kevin] Correct.

- [Bob] So, is there anything that says you need to act on it now? I mean, what's the benefit of acting on it now versus acting on it when you have something developable? You have access to it, so at any point in time you can come back to this group and say, hey we've got a plan, versus lumping it all in now. Just a question.

- [Kevin] Our option to purchase, we had a end date on that, and we had to make a decision on it by the end of 2018 in terms of our right or our ability to purchase, expired at the end of 2018. And so we are in a spot where we had to decide to do it or not, and our redevelopment authority and council decided to do it.

- [Bob] So, it's really not an option. I mean you're saying we're gonna buy it, it's just whether you fund it out of this TID or not. So I'm just yeah, well, that's a different conversation.

- [Kevin] So no, it's been acquired. It's looking at the amendment--

- Funding.

- [Kevin] Because these take effect one one '19, would we have said we would have used this TID to acquire it, or we go.

- [Bob] So you're asking us to fund the purchase?

- Correct--

- With the TID.

- [Kevin] Yes, which is, I think. Look, you can read a project plan and say, oh there's acquisition and things like that, but I feel like this is a big enough one that formal action to amend the project plan is probably warranted.

- [Bob] That's fine, I just, I'm just getting grounded on what you're asking.

- [Kevin] Sure.

- [Brad] And does that mean that it would become part of the TID or is it already?

- [Kevin] No, we're only recommending amending the project. What you're allowed to do, projects have project costs within a half mile, so we're just adding it to the project plan without including it in the Tax Increment District.

- [Brad] And the rationale is the additional parking would drive development in this TID?

- [Kevin] Correct, in terms of a. When we look at our overall parking needs, the capacity for Cherry, Pine, Main Street has greatly increased, and in terms of both the additional employees that we added downtown, for example, like Imperial, right across the street, the Press Gazette building. The one on the corner's going to be, the census is going in there. We'll be ramping up redevelopment of the Press Gazette itself I mean there's longer term employees are looking for an all-day spot to park, and that's what's driving our demand up. The ramp, we charge a rate. Uncovered parking, we charge a little lower rate, and there's an appetite kinda for both, and that's where we see the demand being driven from, from those, because of what's happening with the employees down there.

- [Bob] So is your plan for parking or for development. I'm just trying to understand what your--

- [Kevin] Our plan's for development, but we wanted to do development. In order to reduce the risk of speculation, we had a way to like make it, cash flow in the meantime. This is not our long-term parking solution. It's a short-term parking solution--

- [Bob] It's convenient to generate revenue on the acquisition 'til you find a. Your long-term plan, if you had it your way, would be development of that property.

- [Kevin] Yes.

- Okay, all right.

- [Kevin] Paralleled with that, there's the long-term plan, we need another covered parking structure, because Main Street, the clock is tickin' on it, and so--

- [Bob] How long is that clock? Is it eminent?

- [Kevin] Ah, year or term 20?

- [Diana] 20.

- [Kevin] I have to look at the Schreiber agreement. I wanna say it's 2030?

- [Bob] So it comes down or it gets rebuilt?

- [Kevin] So Schreiber has an option to say that it comes down.

- [Bob] For their expansion or for--

- Correct.

- Bob] So you're anticipating the need for additional parking, 'cause that's a fairly big parking.

- [Kevin] Correct. There's also, just in terms of its functional life, it's kind of close to the same time, so we could do substantial maintenance or again, based on where it's at, on Main Street, you probably wouldn't build it the same way there again, then. And so you'd probably build a new facility.

- [Bob] But it's not an option, build it there, Schreiber buys it.

- [Kevin] Correct, correct, and in the meantime, even if you build it right there, those cars have to go somewhere.

- [Brad] I guess, as parking it makes sense to add it, to have the TID purchase it, but as a future development, it doesn't make sense for the TID to have purchased it. Will there be a repayment when this development happens, or is there some contingency, because as a developed property outside of the TID it doesn't make sense for us to be purchasing the property.

- [Kevin] That's one of the things we've considered in terms of okay, if it gets repaid. are the land sales going back into the TID 'cause it's no longer a parking use, or, if we were to extend it into another TID with a development agreement, probably go in the Whitney Park TID, versus this one, but that's if the cost didn't pertain to it, then we would reallocate towards the purpose that's being used for it. But right now, because we don't have a development project on it, the purchase is for infrastructure for parking, and that's why it'd be proposed in TID 13.

- [Bob] So if it does get developed, are you gonna come back with another amendment on a different TID to probably fund the development costs?

- [Kevin] Correct, right, and most likely add it into a tax increment district. I think one of the things was timing, and that's why I put the slide in about, it was in a Tax Increment District, just it was in one that wasn't performing, and so it was noted that there was development potential for this, but it wasn't worth saving the rest of 11 just for these particular sites.

- [Brad] Is it adjacent to the Whitney Park or how?

- [Kevin] About a block off. So Whitney park, basically the block between--

- Look out the window.

- Quincy and Jackson.

- [Kevin] So it's a block, it's a block away.

- [Brad] Are there funds in the Whitney Park TID if we said we think this is more appropriate to put it there right away, rather than have you come back and tell us that you want an amendment again?

- [Kevin] No, there's, so that's a new TID, so it just started so we're getting our first projects online fully, one one '20. [Bob] That's a pretty small TID, too.

- [Kevin] Then we'll start generating increment for that, but no, there's not a cash balance in the fund right now.

- [Brad] And if there's funds from the parking to keep to pay the debt service on this, what's the difference if the City of Green Bay keeps it and has the parking pay the debt service, versus the TID paying for it and have it pay our debt service. If it's income, if it's revenue expense neutral, then why go through this?

- [Kevin] I think one of the things we looked at in terms of where we bond and that allocated our funds, I mean, you could probably explain a little bit more in terms of our balance of levy-supported TID, enterprise-supported TID, and I'm sorry, bonding, levy-supported bonding, enterprise, like parking utility supported bonding, and Tax Increment District supported bonding, and one of the things that we felt was best is that, and again, based on development of other projects in this increment district, it was more closely tied to those needs, versus just a general purpose with bonding.

- [Bob] So if we said no how would you fund it? 'Cause you're stuck. You've got a commitment without funding base right now. How would you fund it?

- [Kevin] We would have to go back to our council, and basically ask them where would they like this allocated or drawing from?

- [Bob] Okay, and I'm not trying to be difficult.

- Oh yeah, no, that's it.

- [Brad] Who's gonna be parking there? City employees, county employees?

- [Kevin] So I know the city and county are discussing potential use of some of those spots and we've also reached out to a number of businesses who may purchase packages. And then it would be put out just for anyone downtown--

- Downtown parking.

- [Kevin] Who's currently renting a spot or looking for a spot, to be able to use that.

- [Bob] Just for the record, I have to leave like at 25 of, and I'm asking all the questions, so I'm just telling you I have to leave. I'm not being rude, I just, I got--

- We're almost done.

- [Bob] A commitment at six. All right, thanks.

- [Diana] Thank you, Jesse, thanks.

- [Kevin] So on TID 14, two requests here. One is for a, this is TID 14. It's North Broadway, basically the old Larsen Green area, north of Dousman, east of Broadway to the railroad tracks. As you see, there's been significant redevelopment in this area. What we would like to do is two things. One is a request for a territory amendment to add four additional parcels. Actually one one of this year it was one parcel, and this is developer's purchased a slice of the CM Railroad right-of-way, and so to add those parcels into the Tax Increment District development as proposed, will extend on both sides of this, and so we'd like to be able to include these parcels in the Tax Increment District. They're coming in, they were see unknown, so they're coming with a zero-based value, they're blighted. There's environmental issues on them. So, to add these in. And then the second request is for a standard extension to extend this to three years. Basically what we are looking to do is, we do not believe that we can fully cover our project costs with the time that's been allocated. I think one of the reasons is this whole area went through a pretty public fiasco in terms of development and ownership, really starting with the Wal-Mart debate, and when the city said no to Wal-Mart, BMO Harris, who was the owner of the note, basically said to On Broadway, yep, you need to pay us, and On Broadway's like we don't have the funds, and so the city, or BMO turned to the city and is like, look, you guaranteed this note, we're comin' to you. We don't want the property. We wanna get paid back. We're done forbearing, game over. And so with that, basically it put us, more or less, in two, almost three years of, kind of unraveling that deal, the redevelopment authority owning it, and then working, trying to get a new development agreement for that area. So we really were fully off the tax rolls for what, one, two years? I mean, the timing couldn't have been worse. It happened in December of '16.

- [Diana] Yep, and then December of '18 when we sold it. It would have been two years off taxing.

- [Kevin] And basically just right, prevented us from all that increment, which wasn't a lot, but enough of, it was undeveloped, and really just put us behind in terms of the time tables for development on that property. With that, we believe that we need those funds to make the affordable housing project work up on the north side, and also completing for another remediation in the infrastructure that we're gonna need that extra time to be able to fulfill those obligations. And so the request for this is the territory amendment and the standard extension which would push this out from it's normal termination date of 2033 to 2036.

- [Bob] Are there plans for the parcels that you're looking to add?

- [Kevin] Yes, so these are primarily going to be where the condominium units are. And so right now they are under construction of eight units, which I think thre's two or three open. Those will be all set for, at the end of the year, but along this right side is where they plan to develop their condominium units. They wanted a little more breathing room. Oh hi!

- [Woman] Hi Kevin.

- [Brent] Just moved in.

- [Kevin] No attention, they're the owners.

- [Woman] Yes!

- [Man] Oh she's in, she's in!

- [Kevin] So there's limited options for where we put the street through here, so there's those giant power lines that run through it. So in order because there's a setback from that, we ran the street right under the power lines, 'cause you can't do anything else there. But with that, it kinda creates a narrow space in here for development, and so they worked with CN basically to get like 40 more feet, I mean 50 more feet, just to give a little more room in there so that they're not crammed right up against the railroad tracks. So they are under development, and in terms of that will be taxable property. That wasn't taxable before.

- [Bob] Even with that, you still need three years?

- [Kevin] Correct. So the condo units will generate some additional extra increment in there. I think the bigger thing, the reason for the extension would have come regardless of adding these parcels, is due more to the, I guess we'll call it two years on hiatus, where there's like zero increment and zero taxes coming in, which kinda put us, right, it started to roll back our balance, 'cause we weren't getting any increment from that. But then also just the amount of infrastructure that's needed in there. Pretty substantial environmental work that needs to be done, in putting in the streets and utilities. We know construction costs haven't gotten cheaper in the last two or three years, and so we just felt that we would need that extra time to be able to pay the amount to get that infrastructure fully in. With that, what the infrastructure does is really make all this area in the middle developable, because now you've got the service from both sides. You've probably seen we've been talking about some potential projects in there, that really helps fill up the neighborhood, and we'll get the increment to fulfill and do that. I just feel that because we're just starting to creep up on that end time, that we need the additional three years to make it, I guess, over that hump. All right, and then TID 17, this is North Broadway. This is the one I talked about earlier. Project was completed, developer did not meet obligations. We're currently undergoing litigation to recover on that, but with that there's no further activity here. If we have potentially kind of as a backstop on allocation, this is about 65, $70,000 in the hole in terms of, $61,517--

- Yep, about 60, 70.

- [Bob] And when does it close?

- [Kevin] What's that?

- [Bob] When would you close?

- [Keving] We would close this, I think I put on there at the end of next year. So this would be closed at the end of 2020.

- [Diana] Yep, just for the group's sake, there is another meeting that starts at 5:30 in here.

- [Kevin] Home stretch. We'll see if I can get you outta here on time. And then the last two are the two creations. One is for the shipyard, which is basically area south of Walnut, and west of the Fox River, east of Ashland. The boundary, I know it's a super goofy looking Tax Increment District, but there's one railroad parcel that just has this huge tail that goes all the way down to Lombardi, and it's actually a parcel, not a right-of-way, so that's why it's included in there. We tried to put an inset, so you can get a better look at like, the main parcels, which are right around, basically Mason and Broadway. This is an area that we've discussed about investment for the shipyard district, where the city is looking at doing the shipyard itself, on the southern edge of the parcel, and then Breakthrough Fuel to construct a headquarters on the north side. We looked at, saw on the project performance, and different development sites in there, where we feel, over the course of a Tax Increment District, we would generate enough revenue to help support that development. I think one of the things, the reasons for a Tax Increment District here, I'm surprised, not surprised, but if you look at the base value of this whole district, it's not even three million dollars. I mean, over 55 acres, but a lot of tax exempt property, we own, the school district owns, church owns, or surface parking, or vacant land. And so in terms of investment in the city, yes, this is probably one of the more aggressive TIDS we've done, in terms of the proforma and projections, in terms of spending money up front, but we do believe that we do have projects phased in over a reasonable time period to cover costs, and also believe in terms of investment, that it's really, I guess, badly needed in this area. As you can see, I don't think it's a, the parts that we took out of the proposal we take out of TID Five. I mean even during that time hadn't really appreciated in value, and so for us to put some investment in, and we kind of compared this to the city deck, putting a substantial public infrastructure in to generate the private-side investment that move forward, and we'd like to propose the same thing in this area here. And then the other creation was for 23. This is going to replace some of what will go out of TID Seven, primarily indicated, one of the near-term development projects is the Legacy Hotel on the site of the former Brett Favre's Steakhouse, but in terms of other major redevelopment sites, we talked about the White Star Parcels which are around Canadeo, the parking lots of the Stadium View, and also the Badger State, some sharper building, having some additional development potential with that. This is being proposed primarily as a PAYGO TID with a development agreement for Legacy Hotels. As a PAYGO, we would anticipate based on, again, using TID Seven to improve the infrastructure in this area, that this would not need substantial infrastructure improvements, and really be looked at on the back end, being of a PAYGO TID.

- [Diana] Any questions for Director Vonck on anything between one and 17?

- [Brent] I know we're gonna take 'em all together, but should I recuse myself from maybe 13 and 14, is that?

- [Steven] Yeah, you're probably right, as having connection to the development entity involved in that Tax Incremend District--

- Yep.

- [Kevin] Right, I would just get formally him to state that.

- Okay. 13 and 14?

- [Brent] Yeah, so I guess if we make a motion, I'll just, maybe we can do it separately, those two?

- [Diana] Sure.

- [Brent] Unless anyone else is opposed to.

- [Diana] Any other questions?

- [Brad] The Breakthrough acquisition hasn't changed anything, right?

- [Kevin] No, so we've had enough discussions with them, and basically right, the US Venture has now taken control of Breakthrough, but we've met with them and they still intend to move forward on that parcel.

- [Brad] Does the bond rating for the city, the downgrade, does that impact the cost of borrowing in any of these calculations? Have we looked at that?

- [Kevin] We just went out, so you'd be able to tell--

- we just went out, and we just did a re-funding. Our financial advisor said it probably was about 10 basis points is what it affected on our last re-funding. Our current borrowing, again, they said 10 to 20 basis points, so there's a slight increase because of the downgrade.

- [Brad] But that was taken into account, or you just don't think that that's gonna have, it's gonna be within the rounding that Kevin was talking about?

- [Diana] For, I don't know if we have any borrowing requests.

- [Kevin] I think you may be talking about like in the proforma, for like--

- [Brad] Yeah, the proforma for the infrastructure, and the data-related.

- [Diana] You tend to be very conservative when you're doing your estimates.

- Correct, and so I'll tell you what I estimated. I think we talked four and a half percent.

- You said four and a half for yeah, and so, we'll tell you we did not borrow at that level.

- [Brad] Yeah, okay.

- [Diana] Any other questions for Director Vonck? Otherwise, I would take a motion to approve one through 12, 15 through 17.

- [Brad] I'd move to consider nine and 12 separately.

- [Diana] Okay.

- [Kevin] So we take nine, 12, 13, and 14 separately?

- [Diana] Yes, can we take--

- Okay.

- [Diana] All right, do we have a motion on the remaining items for approval?

- [Brent] So I'll make a motion to approve one through eight, 10, 11, sorry, 15, 16, 17.

- [Brad] Second

- [Diana] Okay, we have a motion by Brent, second by Brad. Any discussion? Motion to, all in favor?

- [Brent] Aye.

- Please say aye.

- [All] Aye.

- [Diana] That motion passes. I will take the other ones separate. A motion on number nine to adopt the allocation amendment resolution for plan 12, district 12?

- [Brad] And the reason in called this one separately, just to explain, is that we had the discussion about whether to spend the three million dollars, and I wasn't sure if we wanted to forego a decision on that, or if we wanted to at least call it separately to a vote.

- [Bob] I mean, I guess my question is that what are the implications if we table nine until there's more information

- [Kevin] Sure, so this is is an organizational meeting, so this is basically saying that the recommendations are to recommend RDA and council look at this, in terms of adopting a formal allocation. The formal action will come after the redevelopment authority and council looks at this, so in terms of, I guess, in terms of your recommendation here, it's advisory, if I can use that word?

- [Bob] Yep.

- [Kevin] But this will come back to you in terms of the actual amendment at the final meeting which will be after the, it's later in September.

- [Bob] I guess I just want it to be noted that there is, I think, personally I have a concern with nine--

- Okay.

- [Brad] And I do, too, which is why--

- So, I mean.

- [Kevin] To come back with.

- [Bob] I'd like to see it.

- [Brad] But we'll get another chance to review this.

- [Bob] I think it's important that it's not everybody--

- Yep.

- [Bob] GRB signed off. I would like it to be noted that there's concern on nine that we'd like more information.

- [Kevin] Okay.

- [Bob] Okay.

- [Kevin] And I'll see if I can get, work with them to get it to you ahead of that meeting--

- Okay.

- [Kevin] So you have time to review.

- [Bob] Okay.

- [Diana] So at this point, do we have a motion to adopt the allocation amendment resolution, knowing that it's gonna be coming back to the GRB?

- [Bob] Given that communication that there, we need more information on that. We can move forward but with that caveat.

- [Diana] Can we take a motion?

- [Brad] Move.

- [Brent] Second.

- [Diana] By Brad and second by Brent. All in favor?

- [All] Aye.

- [Diana] That's approved. We moved on to number 12. Consideration with possible action for the resolution to amend TID 13. Can we take a motion for that adoption?

- [Bob] I will move.

- [Diana] Okay we have a motion by Bob.

- [Brent] Second.

- [Diana] Second by Brent. All in favor?

- [All] Aye.

- [Diana] Okay, that's approved. Then we are gonna take number 13 and 14 together, and that is where Brent would like to recuse himself.

- [Brent] Abstain, yeah.

- [Diana] Abstain. Anyone wanna make a motion?

- I'll move.

- [Diana] All right, Brad made a motion.

- [Cale] I'll second.

- Second by Cale--

- Yeah, take it Cale. All in favor?

- [All] Aye.

- [Diana] And that is approved, and Brent abstained.

- [Brent] Thank you.

- [Diana] If there are no other items on the agenda, a motion to adjourn?

- [Brent] So moved.

- [Brad] Second.

- [Diana] Motion by Brent, second by Brad. All in favor?

- [All] Aye.

- [Diana] We are adjourned. Thank you.

- [Kevin] Thank you.

- [Brad] Did I ask enough questions?

- [Brent] You did good. I'm always amazed.

- [Brad] Thanks.

- [Brad] Oh yeah.

- [Brent] There's like no houses.

- [Brad] When you see a map and you're like, oh there's that whole big chunk up there that isn't even connected.

- [Brent] You know Mark's story, right? He's one of the most famous guys.